

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.
20036
—
(202) 393-2266
FAX (202) 393-2156
E-MAIL alvordlaw@aol.com

RECORDATION NO. 24403-1 FILED

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SURFACE TRANSPORTATION BOARD

OF COUNSEL
URBAN A. LESTER

April 10, 2003

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Re: SEPTA (2003-1)

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) copies of a Memorandum of Equipment Pledge Agreement (2003-1), dated as of April 9, 2003, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Head Lease Agreement which is being filed with the Board under Recordation Number 24403.

The names and addresses of the parties to the enclosed document are:

Pledgor: Southeastern Pennsylvania
Transportation Authority
SEPTA Treasury and Finance
1234 Market Street, 10th Floor
Philadelphia, PA 19107

Pledgee: SEPTA Rail Statutory Trust 2003-1
c/o Wilmington Trust Company
1100 North Market Street
Wilmington, Delaware 19890

Mr. Vernon A. Williams
April 10, 2003
Page Two

A description of the railroad equipment covered by the enclosed document
is:

34 railcars bearing SEPTA reporting marks and road numbers.

A short summary of the document to appear in the index follows:

Memorandum of Equipment Pledge Agreement (2003-I)

Also enclosed is a check in the amount of \$30.00 payable to the order of
the
Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anr
Enclosures

EXECUTION COPY

MEMORANDUM OF EQUIPMENT PLEDGE AGREEMENT

(2003-1)

This Memorandum of Equipment Pledge Agreement (2003-1) is made and entered into as of April 9, 2003, by and between SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY (hereinafter referred to as "Pledgor") and SEPTA RAIL STATUTORY TRUST 2003-1 (hereinafter referred to as "Pledgee") respecting that certain Equipment Pledge Agreement (2003-1) dated April 9, 2003, between Pledgor and Pledgee (the "Equipment Pledge Agreement").

For purposes of this Agreement, capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in Appendix A to the Participation Agreement (2003-1), dated as of April 9, 2003, among Southeastern Pennsylvania Transportation Authority, as Head Lessor and Lessee, SEPTA Rail Statutory Trust 2003-1, as Head Lessee and Lessor, Wells Fargo Bank Minnesota, National Association, as Equity Investor and Series B Lender, FSA Global Funding Limited, as Initial Lender and Wilmington Trust Company, not in its individual capacity, except as otherwise expressly set forth therein, but solely as Trustee under the Trust Agreement (2003-1) and the rules of usage set forth therein shall apply hereto.

Pursuant to the provisions of the Equipment Pledge Agreement, Pledgor and Pledgee hereby affirm and acknowledge that:

1. For good and valuable consideration, the Pledgor has mortgaged, pledged, hypothecated, assigned, transferred and set over unto the Pledgee, in the manner hereinafter provided, and granted to the Pledgee a security interest in and Lien upon (a) certain railroad equipment bearing reporting marks and road numbers as listed on Exhibit A attached hereto, effective as of the date hereof and subject to the terms defined in the Equipment Pledge Agreement and (b)

(A) each Item of Equipment now owned or hereafter acquired by Pledgor and subjected to the Head Lease and the Lease;

(B) all rights, claims and causes of action, if any, that the Pledgor may have against any Person in respect of the foregoing; and

(C) all proceeds of any or all of the foregoing.

3. Pledgor and Pledgee further acknowledge and affirm that this Memorandum of Equipment Pledge Agreement (2003-1) is not a summary of the Equipment Pledge Agreement nor a complete recitation of the terms and provisions thereof. Accordingly, Pledgor and Pledgee hereby agree that in the event of a conflict between this Memorandum of Equipment Pledge Agreement (2003-1) and the provisions of the Equipment Pledge Agreement, the provisions of the Equipment Pledge Agreement shall control.

4. This Memorandum of Equipment Pledge Agreement (2003-1) is prepared only for the public record and is being recorded with the Surface Transportation Board pursuant to 49 U.S.C. Section 11301(a).

RECORDATION NO.

24403-1

APR 10 '05

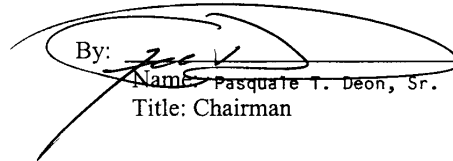
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SURFACE TRANSPORTATION BOARD

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due authority, has caused this Memorandum of Equipment Pledge Agreement (2003-1) to be duly executed in its name by its officers, thereunto duly authorized, all as of the date first above written.

PLEDGOR:

SOUTHEASTERN PENNSYLVANIA
TRANSPORTATION AUTHORITY

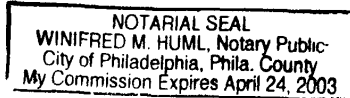
By: 
Name: Pasquale T. Deon, Sr.
Title: Chairman

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF Philadelphia)

On this 9th of April, 2003, before me personally appeared
Pasquale T. Deon, Sr., to me personally known, who being duly sworn,
stated that he/she is chairman of SOUTHEASTERN PENNSYLVANIA
TRANSPORTATION AUTHORITY that said instrument was signed on behalf of said
corporation by authority of its board of directors, and he/she acknowledged that the
execution of the foregoing instrument was the free act and deed of said organization.


Notary Public

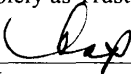
My Commission Expires



PLEDGEE:

SEPTA RAIL STATUTORY TRUST 2003-1

By: Wilmington Trust Company,
not in its individual capacity, but
solely as Trustee

By:  _____

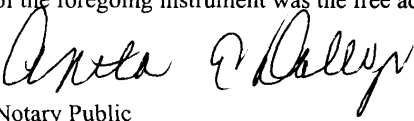
Name:

Title:

*Wilmington Trust Company
Trustee*

STATE OF DELAWARE)
) SS:
COUNTY OF NEW CASTLE)

On this 8th of April, 2003, before me personally appeared ~~William A. Pedelini~~, to me personally known, who being duly sworn, stated that he/she is Financial Services Officer of WILMINGTON TRUST COMPANY, that said instrument was signed on behalf of said corporation, not in its individual capacity, but solely as Trustee on behalf of SEPTA Rail Statutory Trust 2003-1 by authority of its board of directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

My Commission Expires



My Commission Expires August 3, 2003

EXHIBIT A

EQUIPMENT

Number of Cars: 34

Manufacturer:
Kawasaki Heavy Industries

Reporting Mark: SEPTA

Number of Cars Railcar Number

1	107
2	108
3	109
4	110
5	9006
6	9007
7	9008
8	9009
9	9010
10	9011
11	9012
12	9013
13	9014
14	9015
15	9017
16	9019
17	9030
18	9031
19	9043
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34	9070